

Regional policy

SUMMARY

The principal aim of the EU's regional policy, also known as cohesion policy, is to address the territorial, social and economic imbalances that exist between the different regions of the EU. Regional policy covers all regions and cities of the European Union, helping to support job creation, business competitiveness, economic growth, sustainable development, and to improve citizens' quality of life. To achieve these goals and address the diverse development needs in all EU regions, €351.8 billion – almost one third of the total EU budget – has been set aside for cohesion policy for the 2014-2020 period. This financial support is distributed through two main funds: the European Regional Development Fund (ERDF) and the Cohesion Fund (CF). Together with the European Social Fund (ESF), the European Agricultural Fund for Rural Development (EAFRD) and the European Maritime and Fisheries Fund (EMFF), they make up the European structural and investment (ESI) funds, which provide support that can make a real difference to the lives of people in the EU's regions.

With the current programming period (2014-2020) drawing to a close, work is now under way on planning the cohesion policy priorities for the next programming period (2021-2027). During its 2014-2019 term the European Parliament has been called upon numerous times to adopt new legislative acts, amend older rules and to provide opinions on many topics relating to the EU's regional policy. Within the European Parliament, the Committee on Regional Policy is responsible for the Union's regional development and cohesion policy, as set out in the Treaties.

In anticipation of its expected withdrawal from the EU, the UK, until now a net contributor to the EU budget, will no longer contribute to the post-2020 EU budget, which means that the EU will have fewer resources to allocate to its policies in the future, including cohesion policy. The European Parliament has, however, strongly advocated maintaining the level of funding for cohesion policy at its current level or even increasing it.



In this Briefing

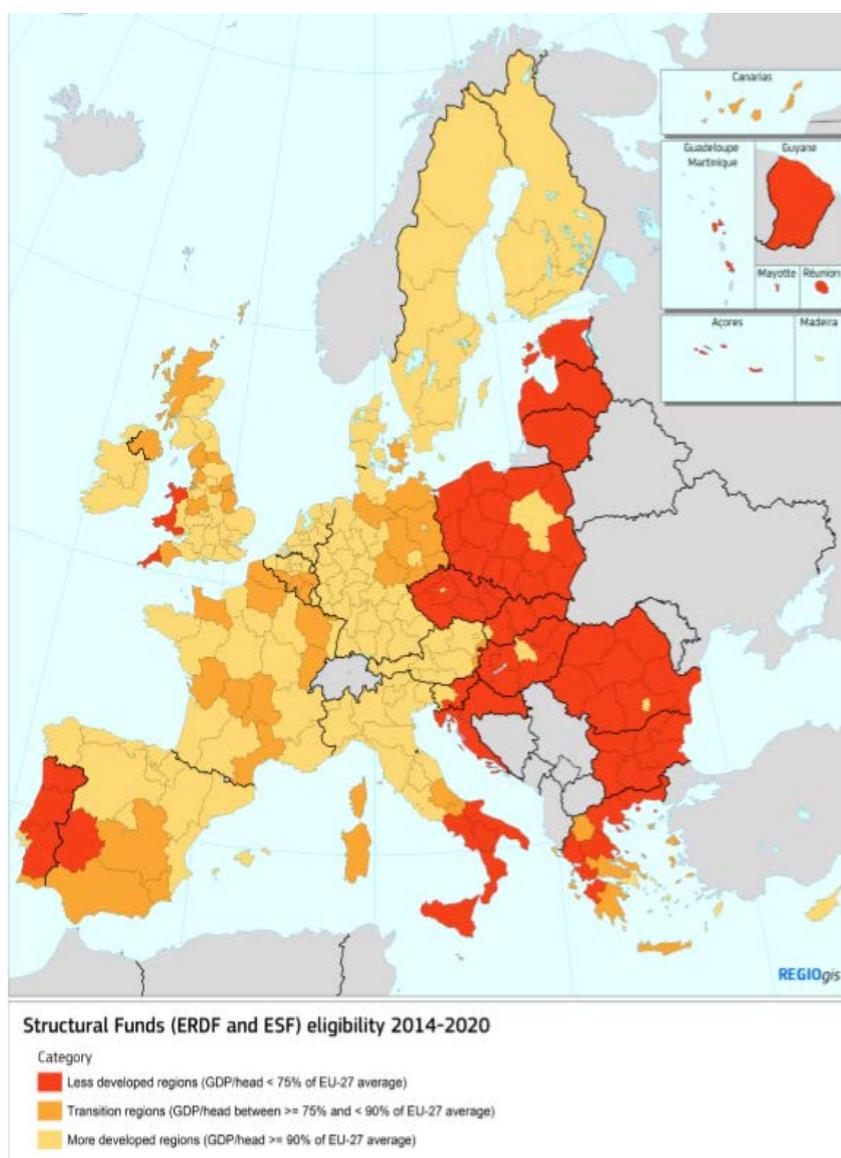
- State of play
- Public expectations for EU involvement
- EU Framework
- Deliveries of the current parliamentary term
- Potential for the future

State of play

Walk around your local area and you may well see a sign with an EU flag telling you about a local EU-funded project. The chances are that the project in question is supported by EU regional funding. Regional policy covers every region of the EU and is supported through a range of funds including the European Regional Development Fund (ERDF), the Cohesion Fund (CF), the European Social Fund (ESF), the European Agricultural Fund for Rural Development (EAFRD) and the European Maritime and Fisheries Fund (EMFF). However, most funds are targeted where they are needed most: at the EU's poorer regions with a gross domestic product (GDP) per capita under 75 % of the EU average.

The amount of support received by each region is based on its GDP per capita. Three categories of region have been established for the purpose of allocating funds: 'less developed regions', whose GDP per capita is less than 75 % of the average GDP of the EU-27; 'transition regions', whose GDP per capita is between 75 % and 90 % of the average GDP of the EU-27, and 'more developed regions' whose GDP per capita is above 90 % of the average GDP of the EU-27.

Figure 1 – ERDF and ESF eligibility 2014 to 2020



Source: [European Commission](#), 2018.

Figure 1 shows European Regional Development Fund (ERDF) and European Social Fund (ESF) eligibility for each EU region.

The Cohesion Fund is aimed at Member States whose gross national income (GNI) per inhabitant is under 90 % of the EU average. It aims to reduce economic and social disparities and to promote sustainable development. For the 2014-2020 period, the countries covered are Bulgaria, Croatia, Cyprus, the Czech Republic, Estonia, Greece, Hungary, Latvia, Lithuania, Malta, Poland, Portugal, Romania, Slovakia and Slovenia.

By supporting public investment and deploying EU investments flexibly, for example through the reprogramming of funds or by raising the EU financial contribution in each EU-funded programme in countries such as Cyprus, Greece, Hungary, Ireland, Portugal and Romania, the EU's regional policy has helped mitigate the impact of the financial crisis that began in 2008. In addition, in

a context of sustained fiscal consolidation, EU regional policy has come to play a crucial role in many countries. It is estimated that without cohesion policy, much-needed public investment in the less developed Member States would have collapsed by an additional 45 % during the crisis.

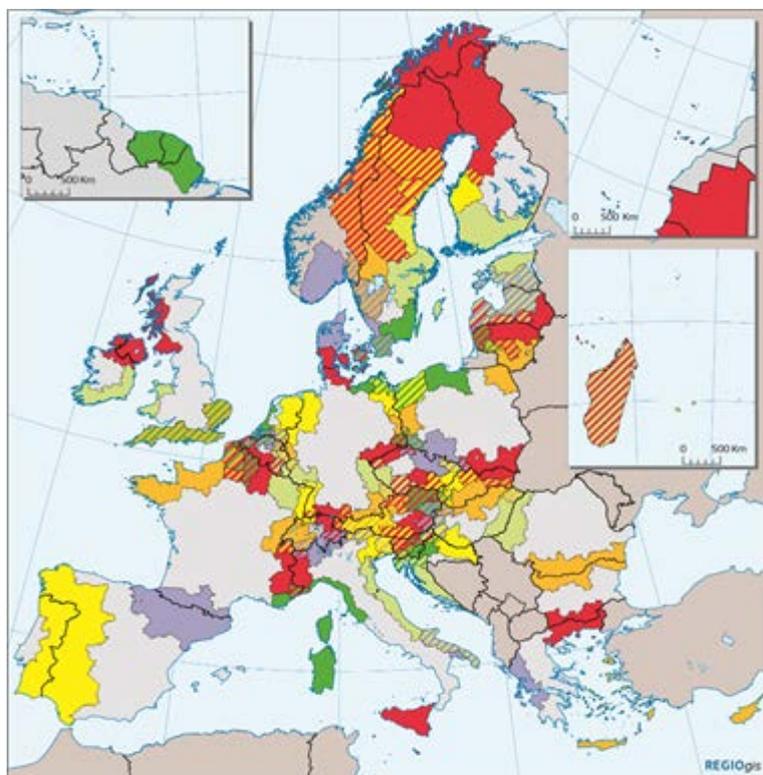
The EU has put a number of innovative instruments in place to engage all of the EU's regions, one example of which is its development of macro-regional strategies. A '[macro-regional strategy](#)' is a framework of action to address common challenges faced by Member States and third countries located in the same geographical area. Supported by EU funding such as the ESI funds, these strategies help ensure strengthened cooperation, which can contribute to the goal of greater economic, social and territorial cohesion.

Four EU macro-regional strategies, covering several policies, have been adopted thus far:

- the [EU strategy for the Baltic Sea region \(2009\)](#);
- the [strategy for the Danube region \(2010\)](#);
- the [strategy for the Adriatic and Ionian region \(2014\)](#); and
- the [strategy for the Alpine region \(2015\)](#).

Another EU measure, European territorial cooperation (ETC), better known as [Interreg](#), provides a framework for the implementation of joint actions and policy exchanges between national, regional and local actors from different Member States. The overarching objective of European territorial cooperation is to promote the harmonious economic, social and territorial development of the Union as a whole. Interreg is built around three strands of cooperation: cross-border (Interreg A), transnational (Interreg B) and interregional (Interreg C). A map of the areas involved in Interreg cross-border programmes is shown in Figure 2.

Figure 2 – ERDF cross-border cooperation programmes 2014 to 2020



Source: European Commission, DG [Regio](#) (striped areas are part of two or more programme areas simultaneously).

Another innovative element of cohesion policy, the [Urban Agenda for the EU](#) has led to the establishment of a number of partnerships that involve EU cities in ambitious projects. Launched in May 2016, the Urban Agenda represents a novel multi-level working method based on partnerships involving Member States, cities, regions and other stakeholders who work together to find solutions to urban challenges, giving cities a direct say in policy areas that affect them. A total of [14 partnerships](#) have been set up to date, covering areas as diverse as urban poverty, cultural heritage and climate adaptation, and each partnership is tasked with drawing up an action plan setting out measures to address specific bottlenecks, with a focus on better funding, better regulation and better knowledge. Once completed, these actions can be rolled out across the whole EU, helping cities feed into the broader EU policymaking process.

Regional policy has a strong impact in many areas. Its investments help to deliver many EU policy objectives, complementing EU policies in fields such as education, employment, energy, the environment, the single market, research and innovation. Organisations that can benefit from regional funding include private individuals, public bodies, certain private sector organisations (especially small businesses), universities, associations, NGOs and voluntary organisations. Summaries of the operational programmes adopted by the European Commission for all EU Member States and regions may be found [here](#).

In order to show citizens, local and regional actors, and public and private entities the wide range of EU funding opportunities, EPRS has prepared the [Guide to EU funding 2014-2020](#). The guide provides basic information on EU funding sources and contains a number of hyperlinks for further reference.

Public expectations for EU involvement

The March 2017 Eurobarometer [survey](#) entitled 'Citizens' awareness and perceptions of EU regional policy' provides a good overview of how regional policy is perceived by EU citizens. Drawing on the results of interviews with over 27 000 participants, the document builds on previous surveys on this topic carried out in 2010, 2013 and 2015.

Some of the key findings from the March 2017 survey are set out below.

- Almost eight in ten respondents consider that EU co-financed projects have had a positive impact on their city or region, an increase of three percentage points on the previous survey in June 2015.
- Half of all respondents have heard of at least one of the EU's two development funds (the European Regional Development Fund and the Cohesion Fund) while almost one fifth have heard of both.
- A clear majority of respondents consider that the EU should continue investing in all regions irrespective of their level of development.
- Education, health or social infrastructure are considered to be the most important areas for regional policy investment, with more than nine out of ten respondents calling for investments in this field.
- Nearly one quarter of all respondents state that they have benefited from a project funded by the European Regional Development Fund or the Cohesion Fund, a rise of four percentage points since 2013.
- Over half of all respondents consider that decisions on EU-funded projects should be taken at local or regional level.

When it comes to how important regional policy is for EU citizens, the survey shows that respondents have a relatively high level of awareness of this policy area (half of all respondents having heard of at least one of the two funds in question) and a high level of recognition of its benefits, with nearly 80 % of respondents saying that EU co-financed projects have had a positive impact locally. Closer examination of the results, however, suggests a lower level of awareness among citizens with regard to specific areas of regional policy. This is particularly true as regards citizens' awareness of EU strategies to promote cooperation, with only one fifth of all respondents aware that EU regional funding supports cooperation between regions in different countries, such as cross-border cooperation, and just 13 % of respondents having heard of Interreg. Similarly, only slightly more than one third of all respondents say they have heard of EU co-financed projects in their local area, a figure that has remained relatively stable since 2010.

Turning to the issue of the priorities for EU regional policy, while a clear majority of respondents is in favour of investing in all regions, a number of differences emerge at the level of the individual Member States, with a majority of respondents in Hungary, Bulgaria and Slovakia all stating that the EU should focus regional investments in its poorer regions. Although there is a majority in favour of

investing in all regions, certain types of region are considered to deserve more attention than others, with over seven in ten respondents considering that priority must be given to regions with high unemployment, and 52 % favouring investment in deprived urban areas, followed by rural or mountain areas (46 %).

EU framework

Legal framework

The rules and objectives relating to regional policy are outlined in Articles 174 to 178 of the Treaty on the Functioning of the European Union (TFEU). [Article 174](#) establishes the overall objective of strengthening the Union's economic, social and territorial cohesion, stipulating that the EU shall aim to reduce disparities between the levels of development of the various regions and the backwardness of the least favoured regions. It states further that particular attention shall be paid to rural areas, areas affected by industrial transition and regions that suffer from severe and permanent natural or demographic handicaps. [Article 176](#), meanwhile, covers the European Regional Development Fund, which is intended to redress the main regional imbalances in the Union through participation in the development and structural adjustment of regions whose development is lagging behind, with [Article 177](#) establishing the Cohesion Fund, which provides a financial contribution to environmental projects and to trans-European networks in the field of transport infrastructure.

The current 2014-2020 legal framework for the EU's cohesion policy consists of a set of common rules, Regulation (EU) No [1303/2013](#) laying down common provisions for the European structural and investment funds (the Common Provisions Regulation or CPR), and a number of specific regulations covering the various funds within cohesion policy:

- Regulation (EU) No [1301/2013](#) on the European Regional Development Fund and on specific provisions concerning the investment for growth and jobs goal (ERDF Regulation);
- Regulation (EU) No [1304/2013](#) on the European Social Fund;
- Regulation (EU) No [1300/2013](#) on the Cohesion Fund;
- Regulation (EU) No [1299/2013](#) on specific provisions for support from the European Regional Development Fund to the European territorial cooperation goal; and
- Regulation (EU) No [1302/2013](#) covering European groupings of territorial cooperation.

Financial framework

The multiannual financial framework (MFF) is the EU's long-term budget. It sets the limits for EU spending as a whole and for individual areas of activity – over a period of at least five years. Recent MFFs have usually covered a period of seven years. The regulation sets the limits for the EU's expenditure as a whole as well as for key areas. It also covers the use of the 'special instruments', which are designed to allow the EU to react to unforeseen needs and changing circumstances.

Amounting to some €350 billion for 2014-2020, EU funding for regional policy accounts for almost one third of the total EU budget and is primarily delivered through three funds, the European Regional Development Fund, the Cohesion Fund and the European Social Fund, with actions under the three funds (jointly known as cohesion policy) subject to common rules on financing, programming, monitoring, evaluation and technical assistance. Additional support for regional policy is also available under the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund, with all five funds collectively referred to as the European structural and investment (ESI) funds.

With a budget of €196 billion, the European Regional Development Fund is the largest of the five ESI funds, accounting for 43.2 % of the total ESIF allocation. While the main aim of the ERDF – to support the development and structural adjustment of regions whose development is lagging

behind – has remained the same since the fund's creation in 1975, the types of investment jointly financed by the ERDF have changed in line with cohesion policy reforms. In recent years, the fund has become one of the main instruments supporting the delivery of the Europe 2020 strategy, resulting in a shift in the ERDF's priorities from 'hard' infrastructure to investment in areas such as innovation, the [low-carbon economy](#) and SME competitiveness. At the same time, there has been a gradual increase in the amount of ERDF resources available following successive EU enlargements and the greater need for EU support to help the EU's poorest regions.

Approximately 95 % of the total ERDF amount is earmarked for the investment for growth and jobs goal. This support focuses on three types of region: less-developed regions, with a GDP lower than 75 % of the EU average; transition regions, whose GDP is between 75 and 90 % of the EU average and more-developed regions, with a GDP of over 90 % of the EU average, with the majority of resources being allocated to less-developed and transition regions. The remaining 5 % is used to support the goal of European territorial cooperation, which promotes cross-border, transnational and interregional cooperation. Accounting for over half of the total ERDF budget, research and innovation, SME competitiveness and the low-carbon economy are among the most important [objectives](#) supported by the ERDF.

Supported by a budget of €63 billion, the Cohesion Fund is open to Member States with a GNI per capita of less than 90 % of the EU average and is used to help fund large-scale environmental and transport infrastructure projects, with a particular focus on the trans-European transport networks. Although this focus has remained much the same since the fund's creation in 1993, the number of eligible countries has increased from four Member States in 1993 to 15 today, with the fund now covering 25.8 % of the EU population, up from 17 % in 1993, while the fund's share in the total EU funding for cohesion policy has grown from 10.8% to 14% during the same period. With an allocation of over €32 billion, network infrastructures in transport and energy account for over half of the total Cohesion Fund budget in 2014-2020, with environment protection and resource efficiency the second most important thematic objective. Figure 3 shows the total Cohesion Fund and ERDF allocation to each Member State for the 2014-2020 period.

Established in 1957, the European Social Fund (ESF) is the oldest EU fund in operation and has a total allocation of €83.9 billion for the 2014-2020 period. In line with the ESF Regulation, the fund focuses on promoting sustainable and quality employment, promoting social inclusion and combating poverty, investing in education and training as well as enhancing the institutional capacity of public authorities. In particular, Article 4 of the ESF Regulation provides that at least 20 % of the ESF resources in each Member State must be allocated during the current period to the thematic objective of promoting social inclusion and combating poverty. The thematic objectives of promoting sustainable and quality employment and investing in education and training together account for almost two thirds of all ESF spending in the Member States while, on average, Member States have allocated 25 % of their total ESF budgets to promoting social inclusion, well above the minimum 20 % imposed by the ESF Regulation.

Deliveries of the current parliamentary term

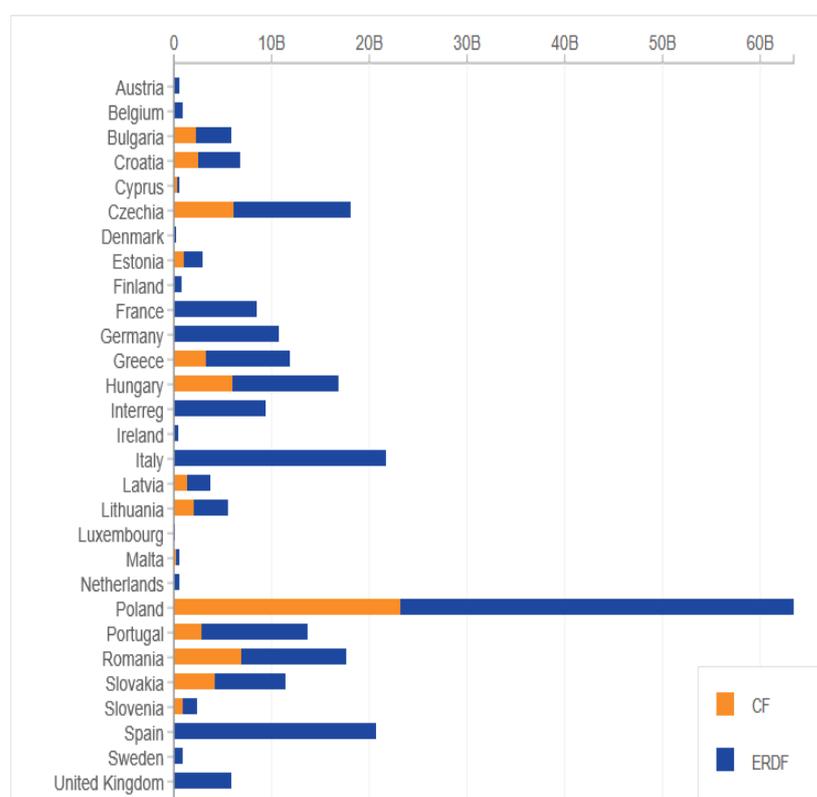
With the start of the current 2014-2020 period coinciding with the introduction of a new cohesion policy framework, one of the main EU priorities during the first two years of the current programming period was for the European Commission to finalise with each Member State the contents of its [partnership agreement](#). The partnership agreement sets out the national ESIF strategy and its operational programmes, which in turn specify how the structural funds will be spent and how many stakeholders will be involved. As the management and investment of EU funds requires efficient local and national administrations, this process also included measures to develop Member States' administrative capacity, underpinned by initiatives such as the [Structural Reform Support Programme](#). This programme provides national authorities with support when implementing reforms. It has also facilitated the implementation process in general through

subsequent measures including the [Omnibus Regulation](#), which simplified the sectoral financial rules set out in numerous acts covering the multiannual programmes.

As well as providing a solid basis for the rollout of jointly programmed projects on the ground, the EU has also taken action to ensure that regional policy is able to respond quickly and effectively to new challenges as they arise. With the country in need of urgent extra support in 2015, the adoption of [specific measures for Greece](#) was one of the first demonstrations of the flexibility of the EU's regional policy, followed by the EU's response to the 2015 migrant crisis, which saw the European Commission work closely with affected Member States to adapt their ESIF programmes to cope with emergency situations and support the integration of migrants. Other challenges requiring an urgent EU response during the 2014-2020 period included a series of weather-related natural catastrophes, with the EU adopting [specific measures](#) to provide additional assistance for Member States affected by natural disasters.

The European Union also launched a number of key regional policy initiatives. With the 2014-2020 cohesion policy framework placing a new emphasis on the urban dimension of EU policies, urban policy was high on the EU's policy agenda, leading to the adoption of the Pact of Amsterdam and the 2016 launch of the [Urban Agenda for the EU](#), a multilevel partnership-based working method involving cooperation between Member States, cities, the European Commission and other stakeholders to address urban issues. The celebrations surrounding the 25th anniversary of the EU's European territorial cooperation programme (Interreg) meanwhile provided an opportunity to take stock of progress in this area. As part of this process, the European Commission carried out a cross-border review, which examined existing legal and administrative obstacles in border regions. The results of this survey fed into the publication of a communication on [Boosting growth and cohesion in EU border areas](#) putting forward a series of recommendations in the area. In parallel to this development, several Member States worked together to further develop the idea of a cross-border mechanism, with both processes ultimately leading to the publication of a European Commission [proposal](#) in 2018.

Figure 3 – CF/ERDF financial allocations 2014 to 2020



Source: [European Commission](#).

[Macro-regional strategies](#), a specific form of territorial cooperation where countries from a wider geographical area work together to find solutions to common challenges, were given further impetus with the launch of an additional two strategies during the current programming period: the 2014 [Adriatic and Ionian macro-regional strategy](#) and the EU [macro-regional strategy for the Alpine region](#), launched in 2015. This process was also strengthened by the publication of a number of Commission reports monitoring the implementation of macro-regional strategies in [2016](#) and,

most recently, in [January 2019](#). Another interesting initiative during the 2014-2020 period relates to the EU's [outermost regions](#), with the European Commission adopting a [communication](#) in October 2017 outlining a new strategy for these nine regions. The idea is to forge a new and strengthened partnership that can help shape EU policies that take better account of the reality on the ground, helping the regions concerned to address challenges such as high unemployment and climate change vulnerability.

Key contributions of Parliament

Parliament was closely involved in working on many of the above initiatives over the last parliamentary term. During the course of the 2014-2019 legislature, the Committee on Regional Development ([REGI](#)) has prepared a total of 16 legislative reports within the framework of the co-decision procedure and has prepared 25 legislative opinions for files managed by other Parliament committees. It has also presented a number of opinions on various topics related to EU regional policy through the preparation of 29 non-legislative reports.

As part of this work, Parliament has worked closely with the European Commission, tabling amendments to a number of Commission proposals in the field of regional policy, and also with the Council of the European Union, reaching agreement on the final version of the legislative texts. These legislative procedures include:

- The [Amendment to Regulation 1303/2013 as regards specific measures for Greece](#). The rapid decline in GDP in all Greek regions following the crisis, combined with liquidity shortages, a lack of public funds and the unprecedented refugee crisis brought a halt to many projects, which could not be completed as they did not meet the conditions for financing. As such, the European Parliament and the Council agreed in 2016 to implement additional specific financing measures for Greece, to prevent the loss of cohesion funds under the 2007-2013 programming period and enable the launch of projects under the current period (2014-2020), in particular in 2015 and 2016. The amendment provided additional pre-financing for 2014-2020 cohesion policy operational programmes under the 'investment for growth and jobs' goal and for programmes financed from the EMFF in Greece, making available additional funding of over €2 billion for the country. The measures helped to release EU funds, which were allocated to Greece in a quicker, simpler and efficient manner without causing any additional expenses to the total EU budget.
- [Specific measures to provide additional assistance to Member States affected by natural disasters](#). Several EU countries have experienced natural disasters in recent years, including earthquakes, flooding and fires. By adding a new paragraph to Article 120 of the CPR, the 2017 regulation amending the CPR allowed countries to introduce a separate priority axis for reconstruction operations supported by the ERDF within an operational programme, with a co-financing rate of up to 95 %. The new provisions have also made it possible to fund operations under this measure directly after a disaster, i.e. before the operational programme is amended. Parliament's resolution amended the text to ensure that the amount allocated to such operations would not exceed 5 % of the total ERDF allocation in a given Member State for the 2014-2020 period.
- The [Structural Reform Support Programme \(SRSP\)](#). With a proposed budget of €142.8 million, the 2017-2020 SRSP aims to contribute to institutional, administrative and growth-sustaining structural reforms in the Member States by providing national authorities with support for measures to reform institutions, governance and public administration through technical assistance. The [final version](#) of the regulation has taken account of many of the views set out by Parliament and Council. In particular, it added cohesion to the programme's general objectives and extended the definition of national authorities to include regional and local levels. It also introduced an annual

work plan and a requirement for an annual monitoring report to be submitted to Parliament and Council.

- The **Omnibus Regulation**, which revised the general financial rules accompanied by corresponding changes to the sectoral financial rules set out in 15 legislative acts covering multiannual programmes, including improvements to the use of **simplified cost options**. The proposal also set out a number of ways to achieve greater budgetary flexibility, such as simplifying the mobilisation of the **European Union Solidarity Fund** (EUSF) via an autonomous transfer from the reserve to the budget line, which would allow the Union to provide faster crisis management. This was rejected by both the Parliament and the Council, however, with Parliament's first reading deciding that mobilisation by draft amending budget should remain the status quo and that budgetary authority oversight should be maintained.

In addition to these legislative items, Parliament has also set out its political position on a number of issues in the field of regional policy through the preparation of a total of 29 non-legislative reports, helping to draw attention to areas that it considers to be important. A selection of these is set out below:

- Adopted in 2015, Parliament's own-initiative resolution on the **urban dimension of EU policies** welcomed the Commission's initiative to work towards the Urban Agenda, a framework for EU policies with an urban dimension, helping to devise urban solutions to EU challenges. Parliament stressed that the Urban Agenda should involve the local level more closely at all stages of the policy cycle, based on a new multi-level governance method, calling also for the creation a one-stop shop on urban policies at EU level.
- Recognising that cross-border cooperation is a key tool for the development of border regions, Parliament's 2016 resolution on **European territorial cooperation** (ETC) called on the Commission and the Member States to give ETC a more distinct role within cohesion policy post-2020 and to significantly increase its budget. It also urged the Member States and the Commission to consider the Luxembourg Presidency's proposal to create a new legal instrument for cohesion policy post-2020. This request was reflected in the inclusion of a regulation on a cross-border mechanism in the Commission's May 2018 package of proposals for a new cohesion policy framework.
- While welcoming the 2014 revision of the instrument, Parliament's 2016 resolution on the **European Union Solidarity Fund** called on the Commission to shorten the deadlines for processing applications for funding from six to four weeks, to allow joint applications from eligible states affected by the same natural disaster and to consider the possibility of increasing the threshold for advance payments made to disaster-affected regions from 10 % to 15 %. The Commission's 2016 EUSF annual report, published in 2017, picked up on this last point, noting that increasing the advance payment threshold could improve the responsiveness of the Solidarity Fund.
- Voicing concern that Article 349 of the TFEU had not been fully implemented, Parliament's 2017 resolution on **promoting cohesion and development in the outermost regions** (ORs) urged the Commission to propose an action plan to implement a consistent and effective strategy for ORs. Stressing the need to provide better support for the diversification of agricultural production in the ORs, it called for trade negotiations to take account of their specific characteristics and asked the Commission to consider setting up a support scheme for sustainable fisheries in the ORs, noting also the potential of sustainable blue growth.
- Calling for the effective use and greater coordination of EU funds to ensure a more comprehensive approach to demographic change, Parliament's 2017 **resolution on the deployment of cohesion policy instruments by regions to address demographic change** urged the Commission to propose a strategy on demographic change, calling

also for a review of existing EU policies. It argued that consideration should be given to a special status for demographically disadvantaged regions in the post-2020 cohesion policy, emphasising that cohesion policy should play a more prominent role in supporting regions facing demographic challenges.

- In 2017, the European Parliament adopted a resolution on [building blocks for a post-2020 EU cohesion policy](#). The Parliament resolution stressed the need for early preparation and a clear legislative framework so that EU-funded programmes are not delayed in the 2021-2027 period. The Parliament considered it essential that cohesion policy should have an adequate budget and that the consequences of the UK's expected withdrawal from the EU should not weaken the policy. It strongly opposed any scenario that would scale down the EU's efforts in relation to cohesion policy. It emphasised the need for better communication and the importance of innovative low-carbon local development and a strong urban dimension in EU policies. In the resolution, Parliament also stated that combating unemployment remained a priority. Cohesion policy should continue to care for the vulnerable and marginalised, addressing growing inequalities and building solidarity through investment in education, training and culture.
- In 2018, the European Parliament adopted a [resolution](#) on the Commission's seventh cohesion report. The resolution considered that cohesion should continue to cover all European regions in an adequate manner. It supported strong thematic concentration on a limited number of priorities. It considered that the ESI funds should be used effectively to help the EU meet its commitments under the Paris Agreement on climate change. It stated that cohesion policy can help to meet new challenges, such as security or the integration of refugees under international protection. The resolution also made a number of further suggestions to simplify cohesion policy.

When it comes to other achievements or deliverables of this eighth parliamentary term, there are a number of other measures that Parliament has taken in the field of regional policy:

- [Structured dialogue with Spain and Portugal](#). With the Council concluding in July 2016 that Spain and Portugal had not taken effective action to correct their excessive deficits, the Commission announced plans to propose suspending part of the commitments following a structured dialogue with the European Parliament. During the structured dialogue, MEPs emphasised that potential suspension of the ESI funds would be harmful, not only for the economies of Spain and Portugal but also for the EU as a whole, with REGI committee members speaking with one voice against the proposal, ultimately leading to its withdrawal.
- The REGI committee has organised **numerous events** and **public hearings** during the course of the current parliamentary term, including joint meetings with the COTER commission of the [European Committee of the Regions](#), which has helped strengthen cooperation between the two bodies in areas such as the Urban Agenda. One outcome of this is a joint statement between the REGI committee and the COTER commission on moving towards the Pact of Amsterdam. REGI has also liaised with numerous stakeholders in order to discuss various important EU regional policy-related issues.

With the rules of the current cohesion policy framework applying to the period up to 2020 only, discussions have already begun on the future shape of cohesion policy beyond 2020. On 23 May 2018, the European Commission adopted a set of legislative proposals identifying the legislative framework for cohesion policy for the 2021 to 2027 period. These legislative proposals, which seek to modernise cohesion policy through a more tailored approach to regional development and a simplified and more flexible framework, comprise the following four regulations:

- a [proposal](#) for a common provisions regulation, setting out common rules for seven shared management funds at EU level;

- a [proposal](#) for a regulation on the European Regional Development Fund and on the Cohesion Fund;
- a [proposal](#) for a regulation on specific provisions for the European territorial cooperation goal; and
- a [proposal](#) for a regulation on a mechanism for resolving legal and administrative obstacles in a cross-border context.

Parliament has adopted a first position on each of these four proposals. These will be discussed further within the framework of the trilogue negotiations between the European Parliament, the Commission and the Council. While the process is at an early stage, more progress is expected after the May 2019 elections to the European Parliament.

Potential for the future

The four new legislative proposals mentioned above will be negotiated by Parliament, Council and the Commission in the future. The aim is to focus resources on five policy objectives:

- a smarter Europe, through innovation, digitisation, economic transformation and support for small and medium-sized businesses;
- a greener, carbon-free Europe, implementing the Paris Agreement and investing in energy transition, renewables and the fight against climate change;
- a more connected Europe, with strategic transport and digital networks;
- a more social Europe, delivering on the European Pillar of Social Rights and supporting quality employment, education, skills, social inclusion and equal access to healthcare; and
- a Europe closer to its citizens, by supporting locally-led development strategies and sustainable urban development across the EU.

Under the Commission's proposals, post-2020 cohesion policy will continue to invest in all EU regions, on the basis of three categories (less developed; transition; and more-developed). The allocation method for the funds is still largely based on GDP per capita, although the percentages used to define the above regions have been adjusted. New criteria have been added (youth unemployment, low education level, climate change, and the reception and integration of migrants) to better reflect the reality on the ground. The outermost regions will continue to benefit from special EU support and cohesion policy will further support locally-led development strategies. The urban dimension of cohesion policy has been strengthened, with 6 % of ERDF funding earmarked for sustainable urban development, and a new networking and capacity-building programme for urban authorities, the 'European urban initiative'. Full complementarity and coordination with the new, enhanced reform support programme will need to be ensured. Country-specific recommendations formulated in the context of the European Semester will be taken into account twice over the budgetary period.

Given the pressing need for more support in the area of asylum and migration, the new regulations have included the asylum and immigration funds within the regional policy framework. The Asylum and Migration and Integration Fund will focus on migrants' short-term needs upon arrival while Cohesion Policy will support their social and professional integration. This will make it easier to create synergies with other EU instruments and funds such as the common agricultural policy, Horizon Europe, the LIFE programme or Erasmus+.

In addition, interregional and cross-border cooperation could be made easier by a new measure that makes it possible for a region to use parts of its own allocation to fund projects jointly with any other EU region. Regions with matching 'smart specialisation' assets would be given more support to build pan-European clusters in priority sectors such as big data, the circular economy, advanced manufacturing or cybersecurity. Various suggestions have also been made regarding the simplification of audit and control.

Communication on EU-funded projects needs to be simplified, with a single branding covering all EU funds, a single portal displaying all available funding for businesses and a single project database run by the Commission. Lastly, with a view to bringing Europe ever closer to its citizens, more emphasis will be placed on the need to communicate the positive results of cohesion policy more effectively.

MAIN REFERENCES

Margaras V., [Challenges for EU cohesion policy: Issues in the forthcoming post-2020 reform](#), EPRS, European Parliament, February 2018.

Margaras V., [The regions in the digital single market - ICT and digital opportunities for European regions](#), EPRS, European Parliament, April 2018.

Margaras V., [Harnessing globalisation for local and regional authorities: Challenges and possible solutions](#), EPRS, European Parliament, September 2017.

Sapala M., [Post-2020 MFF and own resources: Ahead of the Commission's proposal](#), EPRS, European Parliament, May 2018.

Van Lierop C., [European Territorial Cooperation](#), EPRS, European Parliament, March 2018.

Van Lierop C., [Harnessing the potential of the Urban Agenda for the EU](#), EPRS, European Parliament, June 2018.

Van Lierop C., [Implementation of macro-regional strategies](#), EPRS, European Parliament, September 2017.

Van Lierop C., [Outermost regions of the EU: a stronger and renewed partnership](#), EPRS, European Parliament, January 2018.

Widuto A., [Better communication for cohesion policy](#), EPRS, European Parliament, March 2019.

Widuto A., [Reform Support Programme 2021-2027](#), EPRS, European Parliament, March 2019.

DISCLAIMER AND COPYRIGHT

This document is prepared for, and addressed to, the Members and staff of the European Parliament as background material to assist them in their parliamentary work. The content of the document is the sole responsibility of its author(s) and any opinions expressed herein should not be taken to represent an official position of the Parliament.

Reproduction and translation for non-commercial purposes are authorised, provided the source is acknowledged and the European Parliament is given prior notice and sent a copy.

© European Union, 2019.

Photo credits: © kilhan / Fotolia.

eprs@ep.europa.eu (contact)

www.eprs.ep.parl.union.eu (intranet)

www.europarl.europa.eu/thinktank (internet)

<http://epthinktank.eu> (blog)

